

## MINNKOTA BOARD APPROVES 2025 BUDGET AND RATES

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# CEO Report

**JEFF RUSTAD**  
CEO  
PKM Electric Co-op

PKM will end the year with a good margin, mainly because of the fixed rate increase implemented in the beginning of 2024. We ended the year at 56.3% equity, which is very good for any cooperative. With that, your PKM board has approved a capital credit retirement for the year 2003 and 60% of 2004 totaling \$384,890. You will receive this on your April billing. In April, Minnkota will start billing PKM under its increased rate for 2025. We are working with Power System Engineering to do a rate study. This may not be done by April to set rates including Minnkota's rate increase for 2025. PKM has multiple rate classes, and rate studies are done to make sure all rate classes are billed fairly.

PKM was one of only two cooperatives supplied by Minnkota that ended the year with energy (kWh) sales slightly higher than 2023. American Crystal Sugar running its freeze

piles in the spring and this fall have helped us stay positive for year-end sales.

PKM has multiple projects in the works for the summer construction season. Along with the normal projects, some very large services will be installed, which will require some large three-phase transformers. We also have three-phase services installed in 2024 that are waiting on transformers. Line crews are working on installing the new electronic distribution breakers we purchased last year, and we have some on order for this spring. This will help with system safety and reliability. We are also working on counting inventory, and line patrol will start soon.

For our customers with off-peak heating systems, Minnkota has controlled our off-peak systems about 75 hours so far this winter season. This is still very low compared to years

past. Our off-peak rate is 5.8 cents with the wind surcharge. Propane is currently around \$1.69 per gallon, which is the same as 7-cent electricity. If you have a combination heat pump/plenum heater, the 5.8-cent rate is the same as 70-cent per gallon propane. If you have questions on this, please contact Danny in our office.

The Minnesota legislative session has started, and the state's cooperatives are targeting three main issues: lifting the nuclear moratorium, net metering reform and co-op property tax issues. We are lucky that we have local legislators that are cooperative members or are aware of the issues we face. Your board president Mark Hatton and I will be down at the capitol on Feb. 18 for Legislative Day and the MREA Annual Meeting.

As always, if you have any questions, please stop by or give me a call.

## Electrical Inspectors

### Marshall and Kittson Counties

Ronald Ditsch  
218-779-6758

**Polk County**  
George Stage  
218-284-1083

### January/February 2025 (Vol. 79, No. 1)

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#### Office hours

8 a.m. to 4:30 p.m., Monday through Friday  
218-745-4711 or 800-552-7366

#### Electrical after-hours emergencies

800-552-7366  
e-mail: [info@pkmcoop.com](mailto:info@pkmcoop.com)  
website: [www.pkmcoop.com](http://www.pkmcoop.com)

#### Next board meeting

Board meeting to be held the last Tuesday of the month.

#### Officers and Directors

President ..... Mark Hatton  
Vice President ..... C.J. Peterson  
Secretary-Treasurer ..... Wayne Malm  
Directors ..... Paul Aakre, Jerred Copp, Steve Goodwin,  
Chris Mortenson, Blake Owens, and Tom Woinarowicz  
CEO ..... Jeff Rustad  
Editors ..... Danny Schmidt, Megan Dagoberg

*This institution is an equal opportunity provider and employer.*

# THE **POWER** OF BASELOAD ENERGY

Did you know that electricity must be used the moment it's generated? That's right – electricity travels from the power plant, wind turbine or solar panel to your home in less than a second. It either gets used or keeps moving, because it physically doesn't have the patience to hang around until you need it.

On a small scale, batteries have been our way of overcoming this quirk of physics; you can allow electricity to fill a battery with its power to be deployed when it's needed. However, when it comes to power at a larger scale than smartphones or electric cars – say, the greater electric grid, for instance – batteries cannot yet keep up with the amount of electricity needed to power entire communities.

## **This is why baseload electricity is so important.**

Baseload electricity comes from sources that operate continuously to meet regular power demand 24/7, like coal plants, natural gas plants and nuclear plants. Other sources, like wind turbines and solar panels, are more weather dependent. If it's nighttime or overcast, solar panels can't produce much power. If the wind also isn't blowing at that time, turbines also can't produce power. If a grid system doesn't have access to baseload power, electricity stops when the weather says so.

As more baseload power plants are being retired from the grid, we are relying on more weather-dependent energy sources to meet a growing demand for electricity. Grid operators and regulators are already sounding the alarm that a lack of stable baseload energy will make planning for future demand harder and will test the reliability of the electric grid sooner than we think. As a country built on reliable power, it's a test we cannot fail.

Eventually, we may have utility-scale battery storage and the other technologies we need to further rely on weather-dependent energy resources. Until then, we must protect the baseload resources that keep our homes, businesses, schools, hospitals and farms humming.

## BASELOAD RESOURCES

— 24/7 —



NUCLEAR



NATURAL GAS



COAL



HYDRO

## WEATHER DEPENDENT



SOLAR



WIND

# NERC: Nation's electric grid at elevated risk during extreme winter weather

Most regions across the United States are facing elevated risks of electricity supply shortfalls this winter, particularly during extreme weather events, according to a new report from the North American Electric Reliability Corporation (NERC). In its Winter Reliability Assessment released Nov. 14, NERC highlighted growing challenges to the nation's power grid as dispatchable generation sources – such as coal and natural gas power plants – are retired.

In the Upper Midwest's MISO region – where PKM and its power provider, Minnkota Power Cooperative, operate – the elevated risks are attributed to the retirement of 5 gigawatts of

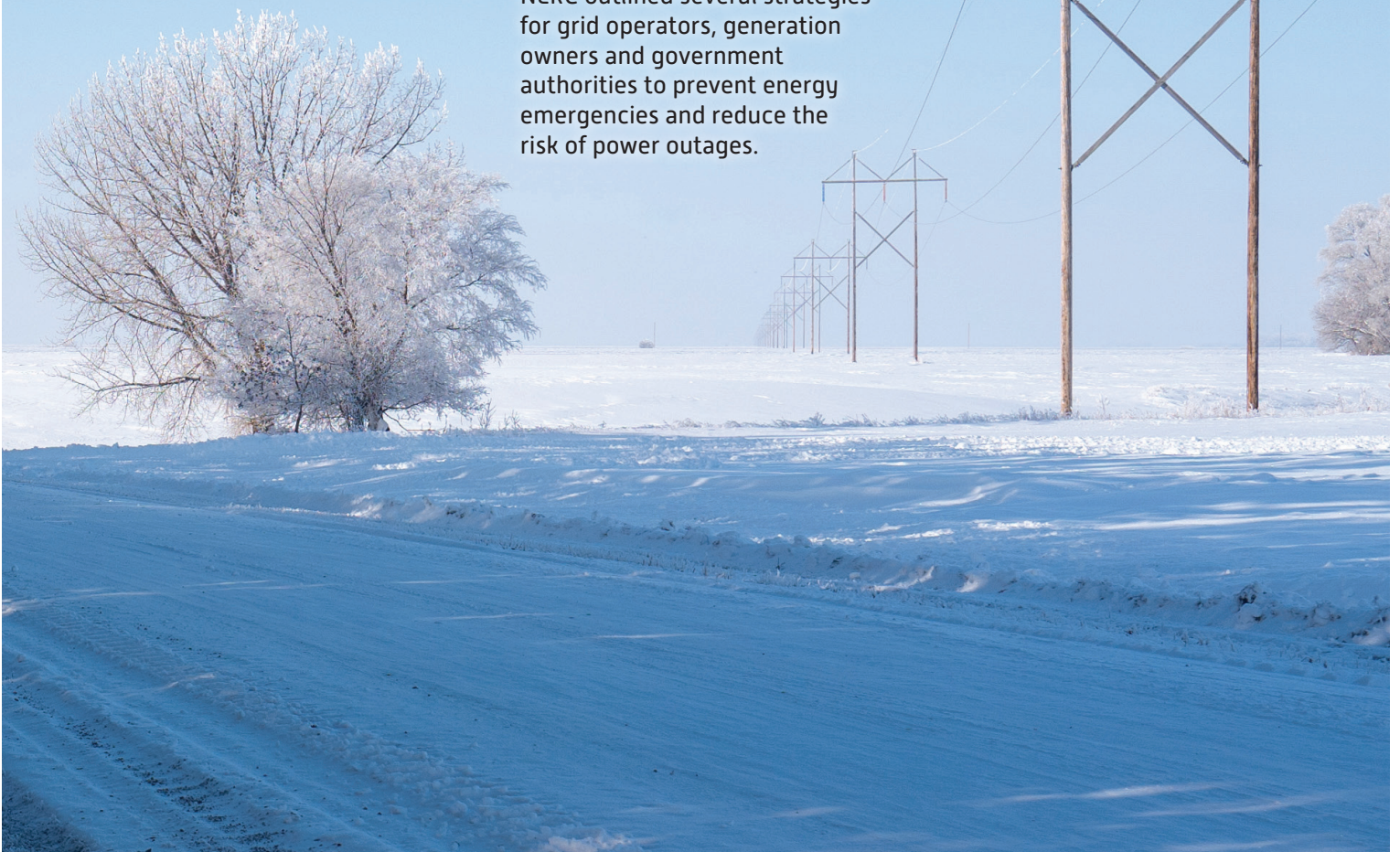
coal and natural gas generation since last winter.

"With fewer internal dispatchable resources and increasing reliance on wind and imports, the risk of supply shortfall in winter has increased in MISO," the NERC report concluded.

NERC's findings emphasize the growing vulnerability of the nation's electric grid amid the transition to lower-carbon but more variable power sources. As the grid evolves, ensuring reliability during periods of extreme weather will require careful planning and investment in both generation capacity and infrastructure resilience.

NERC outlined several strategies for grid operators, generation owners and government authorities to prevent energy emergencies and reduce the risk of power outages.

These recommendations include bolstering preparedness for periods of high electricity demand and low wind output, winterizing generation units to ensure their reliability in extreme cold and enhancing operational coordination to secure adequate fuel supplies for power generation.



# How does your power hold up to **FREEZING TEMPERATURES?**

*If you've lived through a few Upper Midwest winters, you know severe cold can wreak havoc on our everyday lives – vehicles won't start, water pipes freeze and frostbite nips at the unprepared. PKM Electric Cooperative, with the help of our power provider Minnkota Power Cooperative, makes sure freezing temperatures don't interrupt the reliable electric service you've come to expect. How do we stand up to the cold? Our method involves three parts:*

## **Well-Protected Power Plant**

Minnkota's Milton R. Young Station power plant near Center, North Dakota, is perfectly suited to withstand whatever winter throws at it. All the plant's major components are covered, insulated and weatherized to ensure they can operate in extreme cold. On top of that, there are employees onsite 24/7 to make sure systems are running smoothly through any extreme weather.

## **Demand Response Program**

During cold snaps, demand for electricity is at its highest. If demand in our region is set to be higher than Minnkota's generation can adequately cover, Minnkota can purchase more energy from the national grid. However, those purchases can be expensive, and during a nationwide winter event, even national resources can be strained. To protect the reliability of the grid and save its members money, Minnkota can deploy its demand response program, which automatically switches participants from electric heat to a backup source, like fuel oil or propane. To see how you can participate and save money on your winter heating bill, visit **[pkmcoop.com](http://pkmcoop.com)**.

## **Generation Resource Diversity**

When it comes to reliable electricity, having a diverse generation portfolio is key – especially in the cold winter months. The electricity we purchase from Minnkota comes from coal, wind and hydro. If wind turbines ice up and stop producing, we still have access to a coal-based power plant and a hydroelectric dam. If the dam is affected by ice jams, wind and coal are still ready to work. We always have several players in the game.

# MINNKOTA BOARD APPROVES 2025 BUDGET AND RATES

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By **Minnkota Power Cooperative**

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This fall, the board of directors for Minnkota Power Cooperative (PKM's wholesale power provider) approved the cooperative's capital and operating budgets for 2025. The budgets include a rate increase for Class A member cooperatives – the first adjustment to rates since 2017.

"Persistent supply chain and inflationary pressures are impacting almost every aspect of our business," said Mac McLennan, Minnkota president and CEO. "The cost increases for materials and equipment have been significant, forcing us to adapt our strategies and prioritize projects carefully to ensure we continue delivering reliable service to our members while maintaining financial stability."

As a not-for-profit cooperative, Minnkota collects enough revenue to cover its costs as well as a small margin to operate the business. At the same time, it makes investments to ensure safe, reliable and sustainable electricity is available for its members well into the future.

In 2025, Minnkota has budgeted operating revenues of \$479.2 million and expenses of \$474.8 million. The cooperative anticipates using its Revenue Deferral Fund to meet its target margin level of \$14.2 million. The 2025 average rate change of approximately 8.3% will be implemented on April 1.

Minnkota's capital budget includes \$101.7 million in projects, tools and equipment. Of that total, approximately \$23.3 million is reimbursable to the cooperative through other entities.

The capital budget is highlighted by Minnkota's ongoing commitment to addressing aging infrastructure and improving service to the members. Approximately two-thirds of the budget is focused on power delivery system improvements or additions. The cooperative plans to start and/or complete work on five distribution substation rebuild projects and complete reconstruction of three major sections of 69-kilovolt transmission line. Upgrades to demand response infrastructure and the addition of distribution automation technology to improve power delivery system visibility at 14 substations will continue.

From a power supply standpoint, Unit 2 at the Milton R. Young Station will undergo a 44-day scheduled maintenance outage to complete projects and conduct thorough inspections in an effort to keep the coal-based unit operating reliably and efficiently. Major outages are scheduled on both Young Station units every three years.

"We have major projects planned, including important upgrades at our power plants and across our entire power delivery system," McLennan said. "While these investments

come at a time of rising costs, they are essential to maintaining and strengthening the reliability of the power we provide to our members. The scope of these projects will demand an extraordinary level of focus, dedication and hard work from our employees, ensuring that we are well prepared to meet the evolving needs of our membership now and for years to come."

Minnkota's financial position is supported by previous years of strong operational performance. The cooperative has a Revenue Deferral Fund in place to manage shortfalls and rising expenses, as well as a Resource Transition Fund to address extraordinary market events and future power supply needs.

Minnkota is rated as an investment-grade utility in 2024. The cooperative currently has an A- rating and stable outlook from Standard and Poor's. Fitch Rating Services rates Minnkota at BBB+ with a stable outlook.

"We're faced with a significant amount of industry change that may require major investments in the not-too-distant future," McLennan said. "Maintaining financial stability is crucial as we navigate future power supply opportunities, while continuing to address aging infrastructure needs spread throughout our power delivery system. We remain grateful for the support and guidance from our membership as we continue forward in the energy transition."

## YOU'RE A MEMBER OF SOMETHING BIGGER.

As a member-owner of PKM Electric Cooperative, you are a part of something great. You have a voice in how the cooperative works to keep the lights on. But you're not just part of your local electric cooperative – you are a part of a much larger system.

Minnkota Power Cooperative is your wholesale electric supplier owned by PKM and 10 other distribution cooperatives in eastern North Dakota and northwestern Minnesota. The Grand Forks-based co-op generates all the energy required for the entire membership. Minnkota's Milton R. Young Station, located near Center, North Dakota, is the main source of coal generation in the cooperative's diverse energy portfolio. Electricity for the region is also derived from wind and hydro allocations throughout North Dakota.

## WHAT MAKES THESE COOPERATIVES THE SAME?

### Same end goals

Minnkota and **(co-op)** work with the same goals in mind – to safely deliver the most reliable, affordable electricity to every member. The cooperatives work together to build and maintain critical infrastructure, including substations and power lines.

### Shared values

Minnkota and **(co-op)** share the same cooperative values, from cooperation among cooperatives to open and voluntary membership. These values drive the initiatives and community engagement at each location.

## HOW ARE THE COOPERATIVES DIFFERENT?

### Generation & Transmission vs. Distribution

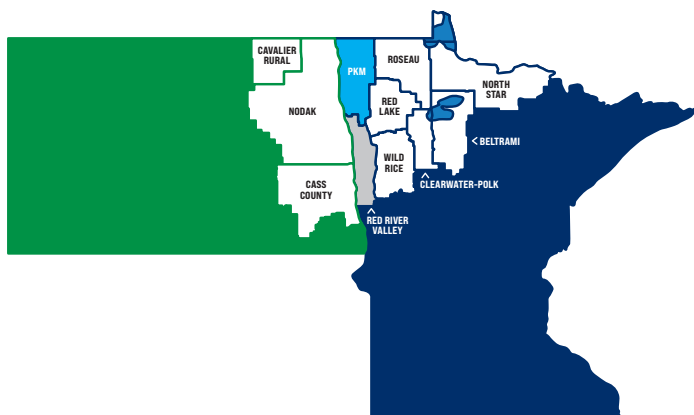
While both cooperatives focus on creating a reliable and robust electric system, our roles come in at different points in the process. Minnkota, a generation and transmission co-op, generates the electricity and sends it long distances to substations in our region. From there, distribution co-ops like PKM send that power to individual homes and businesses in our community.

### Board of directors

PKM's board of directors is made up of members like you! Minnkota's board is comprised of representatives from the boards of each of its member cooperatives within the system.

### Ownership

While YOU own PKM, Minnkota is owned by 11 electric cooperatives. Together, they make decisions for the betterment of the entire membership and serve the needs of the larger electrical system.



Learn more about your wholesale energy supplier at [Minnkota.com](https://minnkota.com)

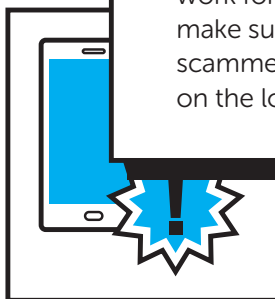
# WATCH OUT FOR UTILITY SCAMMERS

## Q | INTRO

Utility scams have become a major challenge over the past few years. More and more people are being conned out of money and their personal information by people pretending to work for utility companies. At PKM, we want to make sure our members know how to identify scammers and keep their information safe. Be on the lookout for:

## Q | UNEXPECTED CALLS OR VISITS

PKM representatives will always identify themselves and the issue they are contacting you about when talking with members. If you are speaking with someone unwilling to identify themselves, be cautious.

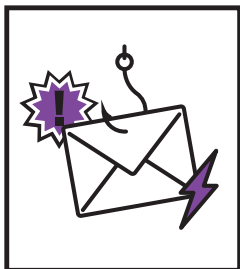


## Q | SUSPICIOUS CALLERS

If you receive a call from a suspicious area code or caller claiming to be an employee of PKM, hang up and call the number listed on your cooperative's website to verify.



## Q | EMAILS OR TEXTS WITH SUSPICIOUS LINKS



If you receive a message that **(co-op)** is going to shut off your power if you don't pay within a certain amount of time, that is a scam. Do not click any links provided and report the scam to your local utility right away.

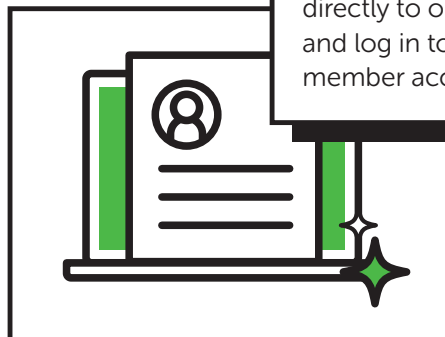
## Q | IMMEDIATE PAYMENT DEMANDS

Your co-op will never demand immediate payment over the phone or email. If you have any questions on the balance on your account, please go directly to our website and log in to your member account.



## Q | REQUESTS FOR PERSONAL INFORMATION

Your cooperative will never ask you to share things like your social security number, bank account information or credit card information over the phone or email. Don't give out personal information to unsolicited callers.



# PKM ELECTRIC 85<sup>TH</sup> ANNUAL MEETING

**TUESDAY, APRIL 1, 2025**

**Warren-Alvarado-Oslo High School**

The annual meeting of the members of PKM Electric Cooperative will be held at the **Warren-Alvarado-Oslo High School in Warren, Minn.**, at 5:45 p.m. on **Tuesday, April 1, 2025**, for the following purposes:

1. **To pass upon reports of officers, directors and committees.**
2. **To elect three directors of the cooperative.** Elections will be held for a three-year term for one director in each of the following counties:

**Polk:** Paul Aakre, Angus

**Kittson:** Mark Hatton, Drayton

**Marshall:** Tom Woinarowicz, Stephen

Per the cooperative bylaws, nominees for open director seats must submit a petition at least twenty-five (25) days before the annual meeting. Please note that the bylaws mandate that no nominations for director can be made from the floor at the annual meeting nor are write-in nominations accepted.

3. All other matters, which may properly come before the annual meeting, or any adjournment or adjournments thereof.

## Apply now for a PKM Scholarship

Individuals in PKM's service area who are members of the cooperative, their spouses or children.

- Applicants planning to attend an accredited postsecondary educational institution in pursuit of their initial postsecondary degree. These institutions could include technical colleges, universities or colleges.

- Eligible applicants include high school seniors, active college students enrolled in an accredited institution in pursuit of their initial degree and nontraditional students who are initiating or resuming their initial postsecondary degree. Nontraditional students include "older than average students" or individuals who did not begin a program after high school. This could also include students whose first postsecondary degree was interrupted.

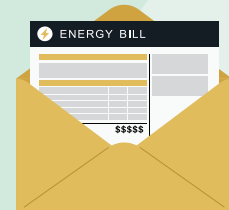
**Postmark  
Deadline:  
April 15, 2025**

**Applications  
available at local  
schools, PKM office  
or online at [www.pkmcoop.com](http://www.pkmcoop.com)**

## NEED HELP PAYING YOUR ELECTRIC BILL?

### Energy assistance may be available!

*If you are receiving a low income or suffering from a temporary financial shortfall, these agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.*



#### NORTHWEST COMMUNITY ACTION

PO Box 67

Badger, MN 56714-0067

(218) 528-3258 or

800-568-5329

[northwestcap.org](http://northwestcap.org)

#### TRI-VALLEY OPPORTUNITY COUNCIL, INC.

1407 Erskine Street

Crookston, MN 56716

(218) 281-9080 or

Toll Free (866) 264-3729



### ENERGY EFFICIENCY: TIP OF THE MONTH

If you have a home office, look for opportunities to save energy in your workspace. Use ENERGY STAR®-rated equipment, which consumes up to 50% less energy than standard models. Set equipment like printers and scanners to automatically switch to sleep or energy-saver mode when not in use.

— Source: [energy.gov](http://energy.gov)

# Board meeting **highlights** November and December

## A regular meeting of the board was held Tuesday, Nov. 26, 2024.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present except for Director Goodwin.

Line Superintendent Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. Terri from MREA was here on Nov. 13. JM Testing tested all our hot sticks and ground rods. The crews are doing one last bore before freeze up.

The Manager of Member Services Danny Schmidt shared recent activities within his department. Eaton has rolled out the rest of the firmware and it seems to be working. Schmidt worked with the Hallock crew to set a 50' pole and will be installing the gateway by Caribou. Minnkota has had 16:04 minutes of dual heat control, 10:47 minutes of yellow zone and 0 minutes of red zone. There have been quite a few new heating systems going in with lots of rebates going back to our members.

The CFO Karen Olson opened her report with an office update. The 2025 budget preparations continue with the preliminary capital requirements budget included for discussion later in the meeting and a preliminary review of the operating budget. She updated the board on the cost-of-service study.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. Overall, it was a decent month but without the increased fixed rate we would be in trouble. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. She reported that overall revenue is up \$588,412.58 from 2023. Expenses are under budget for the year at \$63,876.95. We ended the month with a combined operating/non-operating margin of \$203,247.38. Other financial data was presented and discussed along with the current tier of 3.07 up from last month.

The CEO Jeff Rustad referenced his submitted written report outlining recent meetings he had attended. Rustad shared miscellaneous information on CoBank, MREA, an update on our outage notifications and that Minnkota Power Cooperative approved the rate increase and budget.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed.

The 2025 operating budget preliminary review was presented and will be finalized at the December meeting for discussion and approval as the November reported financials will aid in accuracy for budget projections.

The 2025 capital budget preliminary review was presented and will be finalized at the December meeting for discussion and approval. Staff have held several meetings to discuss capital needs going forward.

At this point in the meeting, Darrick Moe, president and CEO for MREA, presented information on legislative updates, new office construction, changes to safety program and updated fees.

The CEO shared miscellaneous information with the directors including an update on the Kennedy Sub, 2024 IPP, cooperative energy sales and solar information. Financials were provided for September and reviewed for Carr's Tree Service.

The president reminded the directors that the 2025 American's PAC and REPAC contributions are now being accepted. Please submit it to the administrative assistant for processing.

## A special meeting of the board was held Friday, Dec. 20, 2024.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present with the exception of Director Mortenson. Director Owens participated via phone conference.

Operations Manager Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. Terri from MREA was here with the topic of grounding and barricading. The linemen did their last plow project for Kennedy. We still have some poles to pull out of the ground, but the weather looks good next week. Marcotte shared an update from his District 1 meeting.

The Manager of Member Services Danny Schmidt shared recent activities within his department. Minnkota has had 41:30 minutes of dual heat control and 22:23 minutes of yellow zone control with no minutes of red zone. Minnkota had their biannual signal injector test. Schmidt had to test about 25 areas around our service territory, and everything seemed to be in working order. Minnkota also had their seasonal demand response system test. The Hallock crew and Danny set a 50' pole, installed the gateway and got it up and running for Lancaster substation.

The CFO opened her report with an office update to the directors that the office was continuing to work on closing out work orders for the year and 219 processing. There is an abundance of paperwork that needs to be addressed prior to year-end close and the annual inventory. She will present the bad debt listing after year end and it will be included in the January board agenda.

The CFO Karen Olson continued with the presentation of the Operating and Financial report for the cooperative. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. She reported that revenue for November was under budget for the month by \$56,672.70. Other financial data was presented and discussed. The current tier is up from last year at 3.36. We ended the month with a combined operating/non-operating

margin of \$318,205.79 and year to date is \$1,538,624.83. We completed 51 new services for the year and our average is 48 a year.

The CEO Jeff Rustad referenced his written report outlining recent meetings. He shared an update on the American Crystal Sugar account in Stephen. A few other items discussed were Carr's Tree Service board meeting and financials and Olson Underground total billing for 2024 and CIAC collected for all these work orders.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed.

The 2025 operating budget was presented to the directors for consideration with the changes recommended at the last meeting. Staff held several preparation meetings and shared their methods of recommendation with the directors.

The 2025 capital requirements budget was presented to the directors for consideration. After discussion a decision was made by the directors to hold off on purchasing a new vehicle to replace #58 until 2026. Staff held several meetings to discuss capital needs going forward.

With the approaching MREA annual meeting, voting delegates will stay the same with Mark Hatton and Jeff Rustad.

The policy bulletin 20-51.4: Electric Rates – Outdoor Lighting was presented with the updates to remove the rates for MV and HPS lights and just include LED light rates. PKM's system no longer has MV or HPS lights, they have all been changed out to LED.

An engagement letter confirming the auditing services provided to PKM Electric Cooperative, Inc. for the year ended Dec. 31, 2024, by Brady Martz was presented.

The Member Service Manager Danny Schmidt asked the board to approve the 2025 Electric Rebate Application, with no changes.

The CEO stated in accordance with the bylaws it would be appropriate for the board of directors to appoint a nominating committee to meet prior to the annual meeting for the purpose of nominating candidates for the board of directors. The board of directors caucused, and with completion of their caucus, selected members. Those members appointed will receive mileage and a \$50 energy credit to their bill for their attendance.

Director Woinarowicz and Director Aakre gave their reports on Minnkota and Square Butte.

Financials were provided for Carr's Tree Service.

The CEO shared miscellaneous information with the directors including annual meeting information, REPAC and American's Electric Cooperative PAC, the Cooperative energy sales, and solar information.

## PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal Legislators

#### President Donald Trump

The White House  
1600 Pennsylvania Ave. NW  
Washington, D.C. 20500  
[www.whitehouse.gov](http://www.whitehouse.gov)  
202-456-1111

#### Senator Tina Smith

720 Hart Senate Office Building  
Washington, DC 20510  
Phone: 202-224-5641

#### Senator Amy Klobuchar

425 Dirksen Senate Building  
Washington, D.C. 20510  
[www.klobuchar.senate.gov](http://www.klobuchar.senate.gov)  
202-224-3244  
1-888-224-9043 (Minnesota office)  
Fax: 202-228-2186

#### Congresswoman Michelle Fischbach

1237 Longworth House Office Building  
Washington, D.C. 20515  
[www.fischbach.house.gov](http://www.fischbach.house.gov)

202-225-2165

Fax: 202-225-1593

### State of Minnesota Legislators

#### Governor Tim Walz

Capitol Building, Room 130  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
800-657-3717  
[www.mn.gov/governor](http://www.mn.gov/governor)

#### Senator Mark Johnson

95 University Avenue W.  
Minnesota Senate Building,  
Room 3111  
St. Paul, MN 55155  
651-296-5782  
[sen.mark.johnson@senate.mn](mailto:sen.mark.johnson@senate.mn)  
[www.senate.mn/members](http://www.senate.mn/members)

#### Representative John Burkel

309 State Office Building  
St. Paul, MN 55155

651-296-9635

[rep.john.burkel@house.mn](mailto:rep.john.burkel@house.mn)

#### Representative Steve Gander

Centennial Office Building  
(Second Floor)  
St. Paul, MN 55155  
651-296-5091  
[rep.steve.gander@house.mn](mailto:rep.steve.gander@house.mn)

# How to Become a Director

The grassroots participation in nominating and electing directors is one of the most important powers that you, the members, have in controlling your cooperative – PKM Electric Cooperative, Inc. The cooperative's service territory is divided into three director counties. Each of the counties is represented by three directors who are qualified members of the cooperative and reside within the county to be represented. One director from each county is elected at each annual member meeting for a term of three years.

At the PKM Electric Cooperative, Inc. annual meeting scheduled for Tuesday, April 1, 2025, director elections for each county will be held. This year the three-year terms of the following directors will expire at the 2025 annual meeting. They are: **Paul Aakre**, *Polk County*; **Mark Hatton**, *Kittson County*; **Tom Woinarowicz**, *Marshall County*.

## To qualify as a director candidate, you must:

- **Be a member in good standing of the cooperative**, receiving electric service at the member's primary residence in the district from which the director is elected prior to being nominated for director.
- **Be only one**, and not more than one, member of a joint membership.
- **Have voting rights** within the district from which the director is to be elected.
- **Not be employed by**, materially affiliated with, or have a material financial interest in, any individual or entity which either is directly or substantially competing with the cooperative, selling goods and services in substantial quantity to the cooperative or possessing a substantial conflict of interest with the cooperative.
- **Not be**, nor within three (3) years preceding a director candidate's nomination have been, **an employee of the cooperative**.



- **Not be a close relative** of an existing employee, or existing director.
- **If a member of the cooperative** is not a natural person, i.e. a corporation, partnership, limited liability company, or similar, then the member may appoint or elect one (1) duly authorized natural person, residing within the external boundaries of the district from which they are nominated, to be eligible for election as a director to the board of directors.
- **Never have been convicted** of a felony.
- **Not be or become the full-time employee or agent** of, or be or become the full-time employer or principal of, another director.
- **Agree, upon election, to regularly attend** all board, regular and special members' meetings.

It shall be the duty of the board of directors to appoint, not less than seventy (70) days nor more than one hundred and twenty (120) days before the date of a meeting of the members at which directors are to be elected, a Committee on Nominations ("Committee") consisting of not less than five (5) nor more than eleven (11) members of the Cooperative who shall be selected so as to give equitable representation on the Committee to the geographical areas served or to be served by the cooperative.

The PKM board of directors appointed the

Nominating Committee at their December monthly meeting held Dec. 20, 2024. This committee is scheduled to meet on Tuesday, March 4, 2025, for the purpose of nominating one or more qualified member(s) from each county for each office of director slated for election, to be elected by the membership at large at the annual meeting, and shall prepare and post at the principal office of the cooperative at least twenty-five (25) days before said meeting, a list of nominations.

If you are interested in being considered for nomination or if you know a member who you believe would be a qualified candidate, please contact a member of the Nominating Committee. The Nominating Committee for 2025 is as follows:

## POLK

Bobby Wimpfheimer – *Warren*  
Josh Goodyke – *Crookston*  
Karen Pearson – *Warren*

## KITTSOON

Carey Mortenson – *Kennedy*  
Gary Jensen – *Drayton*  
Jason Sobolik – *Drayton*

## MARSHALL

Jared Woinarowicz – *Stephen*  
Adam Gajeski – *Stephen*  
Jordan Schindele – *Stephen*

**Any 15 or more members can make other director nominations in writing on or before March 12, 2025. Director candidates may only be nominated by the committee on nominations or by petition. Voting will take place during the annual meeting. The director candidate receiving the highest vote for each county will serve on the board of directors until the end of their designated term.**